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NORTH WEST BUSINESS LEADERSHIP TEAM

THE NORTHERN POWERHOUSE PARTNERSHIP

business north

# Growing Together

Cities and regions collaborating on shared priorities

# Growing Together

Every part of the UK has prime capabilities and world class assets, with the potential to improve productivity and greatly enhance the UK's international competitiveness and trading performance

"London's role as the UK's economic engine is not in dispute. It acts as a beacon to the world and a gateway for international tourism and investment. But London's success is inextricably linked to the rest of the UK - estimates say we sell around £290bn of goods and services to the rest of the country - and our interdependence cuts both ways. Brexit means every part of the UK economy needs to be firing on all cylinders. By connecting labour markets and bringing together skills and experience, we'll help realise better wages and productivity - and unlock the full potential of our cities. We need to grow together. The zero-sum game between London and the rest of the UK is not a game we need to play. This does not mean sacrificing our individual priorities. Rest assured, rivalry and local pride has not been dimmed. But, with a once-in-a-generation opportunity ahead, there is more that unites us than divides us"

**Jasmine Whitbread, Chief Executive, London First**

"These are times of huge change for the UK economy. The opportunities presented by a new 'digital' industrial revolution are tremendous, and the essential task of boosting business productivity will define our economy and the future prosperity of generations to come. Greater devolution has an important part to play in this – and as regional leaders we all have a responsibility to ensure we work together to help harness our unique ability to work with local businesses to get behind this revolution and adopt digital technologies at a much faster pace. This report is an important first step in driving the work needed to ensure we grow together in the future."

**Prof. Jürgen Maier, Chair of North West Business Leadership**

"For the UK to conclusively tackle its productivity problem, appropriate levels of investment must be made across the country. The Northern Powerhouse can lead the next Industrial Revolution and have a significant impact on the economic performance of the UK by investing in education, creating a skilled workforce capable of making the prime capabilities of the North world-leading. But the Northern Powerhouse must not be in competition with London or with any other part of the UK – a thriving capital, along with other parts of the country, is crucial to economic prosperity. Working together across key areas of policy and collaborating on shared capabilities is essential and can be a first step towards a UK pulling its weight and delivering on its considerable potential."

**Lord Jim O'Neill, Vice-Chair of Northern Powerhouse Partnership**

"The UK economy is undoubtedly more powerful on a Global stage when its regions can work together, combining their respective strengths and specialisms. Such collaboration also has the potential to help narrow some of the gaps we see between regions in economic output, skills levels and educational outcomes, levelling up to the best performers. This is essential if we are to see a more balanced economy with the fruits of growth and prosperity more widely shared. Further devolution is a key mechanism in unleashing growth and development across the UK's great regions and businesses are ready to collaborate with civic leaders to make that a success. The North has great ambition and plans to grow our economy and share prosperity more widely and this report is a welcome step in connecting that ambition to a wider cause"

**George Beveridge, Chair of Business North**

# Foreword

> The UK's cities and regions compete fiercely for jobs and investment. But they also collaborate widely, taking advantage of clusters of industry excellence.

Four business groups are committing to work more closely with each other to ensure the regions are better connected, share learning and grow together post-Brexit.

By sharing ideas, we aim to effect change and inform the national debate to accelerate devolution and lobby for infrastructure spending as the UK economy faces a series of critical choices.

## Fierce competition

The rivalry that exists between UK cities and regions has been passed down over generations. Every part of the country takes pride in its history and culture.

Such pride spills over into dynamic competition when jobs and money are at stake. Where should a blue-chip research and development centre be sited, who most deserves infrastructure funds from central government or a tranche of foreign direct investment?

Brexit shone a light on what divides the UK. The vote to leave the European Union deepened the fault lines running through today's society. Just before becoming prime minister, Theresa May spoke about the 'gaping chasm' between London and the rest of the country as she set out an agenda for shared prosperity. Regional devolution was championed as a way to help rebalance the economy and distribute the nation's earnings more fairly. The rigours of Brexit make it more important than ever to rebalance the UK economy towards high-tech, high-growth industries that every part of the country can benefit from. The Government recognised the challenge in its Industrial Strategy white paper, noting that: "The UK has greater disparities in regional productivity than other European countries. This affects people in their pay, their work opportunities and their life chances."

Despite renewed political focus, EY's latest regional economic forecast suggests the UK is still becoming more geographically imbalanced. The north-south divide will continue to expand over the next three years – although at a slower rate than previously. EY predicts that gross value added (GVA) growth for London and the south east would average 2.2% and 2% respectively compared to 1.8% for the wider UK, with the capital also experiencing the fastest increase in regional employment.

We four business groups – the North West Business Leadership Team, Business North, Northern Powerhouse and London First – feel it is time to act. We are setting out on a journey with the intention that the cities and regions we represent will grow together. Other campaigning groups are welcome to join us.

This is not to sacrifice our individual priorities. Rest assured, rivalry and local pride has not been dimmed. But, with a once-in-a-generation opportunity ahead, we know that more unites us than divides us. enterprise as well as international competitiveness. Importantly, a successful rebalancing is not a zero-sum game between growing London or the rest of the UK.

In developing a common urban agenda for growth, the prize is substantial. If all British cities were as productive as the greater south east, the national economy would be over £200bn larger, according to the CBI. That's the equivalent of four extra Birminghams generating shared wealth. It is time for a step change in the provision of this country's infrastructure and skills so we can grow together.

# Wide Collaboration

The UK is small and urban. Its cities and regions cannot fail to benefit from their proximity to each other.

Each of our partner regions has a unique set of characteristics. The North's prime capabilities lie in advanced manufacturing, energy, healthcare and digital and it has strengths in 3D printing and offshore wind power. The Midlands is strong in manufacturing, space and ceramics and has a thriving science and research base across its 20 universities plus growing financial and professional services.

London's role as the UK's economic engine is not in dispute. It acts as a beacon to the world and gateway for international tourism and investment. There is no official source for intra-UK trade but the Greater London Authority estimates London bought £405bn of goods and services from the rest of the UK in 2014 and sold £290bn back.

Some of the UK's most successful industrial clusters are complementary and cut across regions. Digital and creative industries are strong in the North and Midlands, as well as in London. Manchester is home to the largest tech hub outside London. KPMG has selected Leeds for its Innovation and Solutions centre, creating over 200 new jobs. A quarter of those employed in the games industry are based in Greater Birmingham. We aim to expand our world-leading industry clusters while championing infrastructure investment that will increase the mobility of the workforce.

# Work more closely

The UK regions are striving to work more closely together but they are being held back by poor connectivity. We aim to expand our world-leading industry clusters while championing infrastructure investment that will increase the mobility of the workforce.

Sharing best practice between regions will boost performance. In its regional report, the CBI found that the mix of sectors across the UK is not that different – but the productivity within a sector varies widely from region to region. Rather than trying to change the sector mix, we must identify what works well and spread the word. Expanding established clusters can work if it builds a skills and supplier base that will boost productivity and bring down the cost of doing business. The CBI also found that clusters make up 20% of total UK GVA, but they have a limited impact outside London.

Deloitte's *Power Up: UK skills* report found that jobs which typically require strong transferable skills – for example problem solving and communication – have driven employment growth over the past 15 years. It also found that the level of skills in the workforce is relatively consistent between all regions, a sign of optimism that inequality can be reduced. However, as technologies advance, most sectors and UK regions are predicted to face skills shortages. Simply poaching talent from region to region is not sustainable in the long term.

# Effect change

Groups that represent the economies of the UK's cities and regions have much to gain from deepening ties.

There is precedent in the business world: Sir Martin Sorrell, chief executive of advertising group WPP, has long talked about 'frenemies' – a blend of friend and enemy - such as Google and Facebook with whom he will work alternately *with* and *against* as the worlds of digital and advertising collide.

We aim to create a stronger voice for devolution that will lead the debate over the governance and process required to go further and faster than we have done so far. Policy that can be better delivered at a subnational level should be. Think devolution first to support growth.

We will deliver the proof points that devolution is working, as well as the further potential it offers. That includes establishing the preferred route for delivery of infrastructure and skills at a local and regional level including game-changing transport investments. By working together we can better articulate our regions' joint assets and strengths. Everywhere you look, the corporate world is increasingly interconnected. There has never been a more important time to collaborate as well as compete.

# Growing together for national prosperity

## This report presents an agenda for growing together, and is a statement of intent by four business groups from across the country.

In order to deliver the transformative policies and economic development necessary for a successful industrial policy and the transition to Brexit, our cities and regions need to be growing together. This report presents a statement of intent from the North West Business Leadership Team, Business North, Northern Powerhouse and London First to better collaborate on shared priorities to more effectively grow together, and improve our respective international competitiveness. The report's main focus is on the areas relating to the study partners: London, the North, and Midlands, and the cities and towns within them. We look forward to incorporating the views and issues from other regions in the UK as they join us in this agenda.

## We hope to inform and shape the national government agenda, as well as that of regions, cities and localities.

The UK Government recognises the challenge of addressing regional disparities. As the recent White Paper "*Industrial Strategy: Building a Britain fit for the future*" notes, "The UK has greater disparities in regional productivity than other European countries. This affects people in their pay, their work opportunities and their life chances. Every region in the UK has a role to play in boosting the national economy. We will build on the strong foundations of our city, growth and devolution deals and continue to work in partnership with local leaders to drive productivity." (p. 216).

The UK economy is at a crossroads. There is an urgent need to be better prepared for global competitiveness and trade post-Brexit. This is because the UK will need to find new international markets to compensate for the potential loss of some European Union market access. As an open, and stable market economy the UK has also benefitted significantly from overseas investment in order to access the European Single Market, as well as from migrant labour to meet the economy's skills needs.

The UK is a small, urbanised nation – and its cities and regions could better work together for national and local prosperity. This report explores the ways in which the UK's cities and regions can support each other's economic success. It builds a consensus for England's cities and regions including ensuring that a growing London works ever more effectively, in cooperation with other city-regions to drive growth across the country.

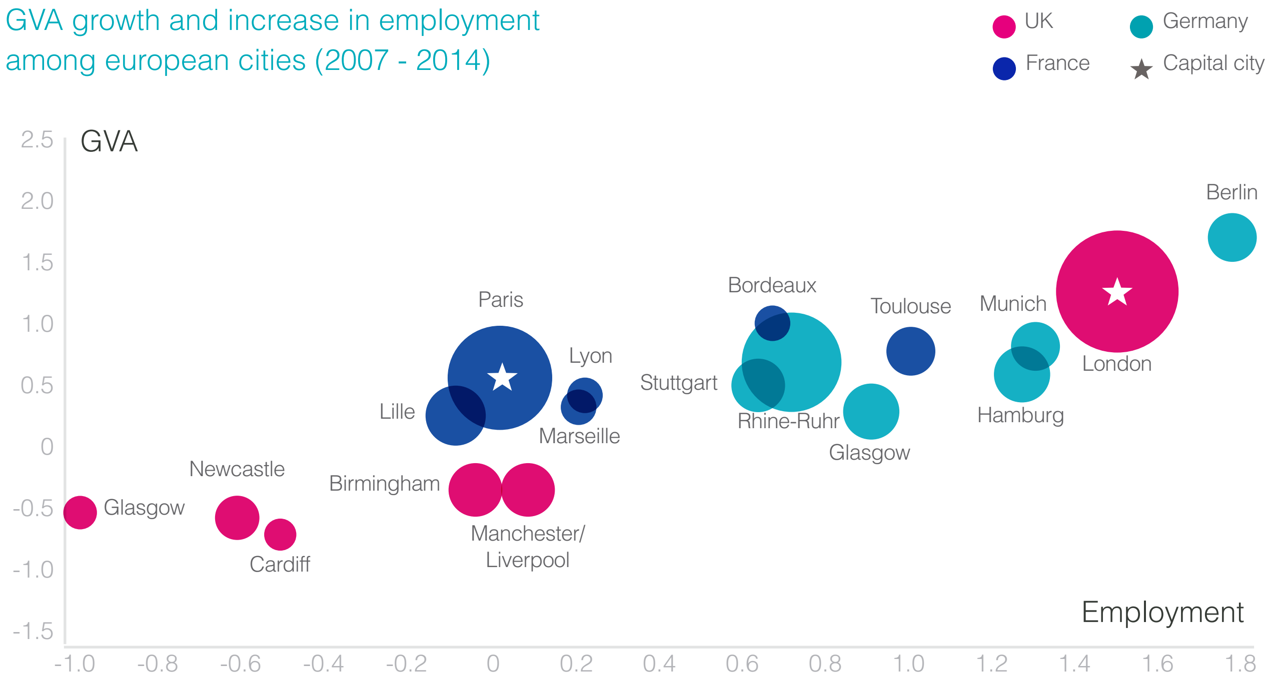
## Addressing serious imbalances in regional economic performance in the UK will significantly improve national prospects.

The UK cannot continue to be an economy where 50 out of 62 cities perform below the national average. British cities outside the South-East have experienced less strong performance than their counterparts in other European countries such as France and Germany[1]. 50 of 62 UK cities were below the national average rate of productivity in 2015, including big cities such as Manchester, Liverpool and Birmingham. And of the 12 that were above the national average, eight were in the Greater South East[2]. This disparity in performance is also reflected in the UK's regions, where all regions apart from London, The East of England, South East and Scotland, significantly under-perform compared to the UK average.

[1] LSE (2014), European Metro Monitor
[2] Centre for Cities, 2017, The Role of Place in the UK's Productivity Problem, 2016, pp. 2

# City performance

## GVA growth and increase in employment among european cities (2007 - 2014)




1 Metros defined as contguous urban area, not by administrative boundaries
Source: LSE (2014), "Europan MetroMonitor"

## Enhancing productivity will contribute significantly to our international competitiveness

Productivity will be enhanced by increasing market competition within the UK, but also by increasing the specialization of each city and region in terms of its industrial clusters, innovation and specialist skills. Recent research from the Centre for Cities (*The Role of Place in the UK's Productivity Problem,* 2016) shows that the Greater South East is 44 per cent more productive than cities in other parts of the country[3]. If all British cities created as much economic value from their inputs (were more productive) as those in the Greater South East (GSE), the national economy would be £208bn larger – equivalent to four extra city economies the size of Birmingham[4].

Poor internal connectivity outside of London and the South East of England contributes to regional economic imbalances in economic and productivity performance. Continued investment to support growth in London is required, as this aids the national economy. Critically, there also needs to be better internal connectivity within the rest of the UK, particularly outside – to realise the productivity benefits from creating denser, more specialised functional markets (agglomeration benefits).

The North and Midlands suffer from fragmented centres and lack of connectivity, which in turn, affects skills supply and productivity. Employers in northern cities draw workers from smaller areas than in the South. In 2011, almost half a million commuters travelled over 30km to work in London, double the number that travel the same distance to work across all six major city regions in the North. Northern cities' labour markets have limited reach, meaning that employers choose from a smaller pool of workers, and vice versa. This holds back wages and productivity.

[3] Centre for Cities, 2017, The Role of Place in the UK's Productivity Problem, 2016, pp. 2.
[4] CBI, Unlocking Regional Growth

## Local and regional devolution is a significant part of the solution to addressing regional imbalances.

Since 2010, City, Growth and Devolution Deals have shifted power and funding to local areas to enable them to take strategic decisions about local priorities. Collectively these bespoke deals have enabled places to develop long-term plans; strengthen local leadership through directly elected city-region mayors and Local Enterprise Partnerships; and have more powers to create the right conditions for prosperity. Strategic partnerships such as the North West Business Leadership Team, Northern Powerhouse Partnership and the Midlands Connect Partnership have been established to provide a coordinating, strategic tier to the devolution debate, to deliver renewed regional prosperity.

## There is also a joint agenda for cities and regions, where collaboration will help them grow together.

Markets function, and individuals, investments and transactions flow across administrative boundaries. To plan and deliver future growth, collaboration between regions and cities is needed. The UK is a small, heavily urbanized nation with overlapping transport networks, labour markets, and functional market areas. Recent strategies for devolved powers and resources recognise this and offer new solutions.

The potential productivity benefits from our small, heavily urbanized geography in the UK remain to be realised. The bulk of the demand for and supply of skills are defined in locally and regional markets. Planning and delivering skills must reflect this in future. Evidence from commuting patterns suggest most people travel a maximum of one hour to work. There is a common need for investment in connectivity to create bigger, more effective markets for skills, labour, goods and services.

Individual regions have developed collaborative agendas for devolution, and there is an opportunity to further work together. The devolution agenda has built on existing partnership work, and has led to new initiatives such as the North West Business Leadership Tram, Business North, the Northern Powerhouse, Midlands Connect and Greater London, where there have been major advances in discussing the big strategic issues and solutions such as transport connections between cities, and regional skills needs. However, there are further opportunities from developing a common agenda on how different cities and regions collaborate and grow together for national success.

# Building on the unique strengths of all our regions

## Our regions have prime capabilities and assets, with the potential to improve productivity and greatly enhance the UK's international competitiveness and trading performance

### London and the Greater South East perform strongly in the global marketplace

With 36.5 per cent of the national population, the Greater South East (comprising of London, the South East of England and Eastern England) contributed 46.0 per cent of total UK economic output[5]. The average annual rate of economic growth between 2006 and 2016 was 3.5 per cent for the Greater South East of England compared to 2.3 per cent for the Rest of the UK. The Greater South East is particularly strong in globally traded knowledge-based goods and services, such as financial and business services, creative industries, scientific research and development, ICT, life sciences, pharmaceuticals, and high-tech manufacturing.

### The South East of England and Eastern England are also successful regions that are closely integrated with the London economy

The 'golden triangle' between Cambridge, London and Oxford has long been regarded as home to a globally important technology-based cluster of firms, research institutes and talent. The area has a concentration of businesses in the scientific research and development, ICT, life sciences, pharmaceuticals, high-tech manufacturing, performance technology and motorsport sectors.

Oxford and Cambridge have the most highly qualified workforces in the country, more than 60 per cent of workers are qualified to degree level, compared to a national average of 37 per cent[6].

Milton Keynes is one of Britain's fastest growing cities – with population growth of over 17 per cent between 2005 and 2015, and an expansion of the jobs base by 33,000, representing a growth rate of almost 25 per cent[7]. Reading's wider urban area is home to a population of around 275,000 with a broader catchment of over 1.2 million. Reading has the fifth most qualified workforce in the UK and the highest employment rate in the UK. Knowledge-intensive business services make up 40 per cent of all central Reading businesses. Reading is ranked 1st in the UK as a tech employment cluster according to KPMG[8].

### London is a World City and is a significant economic powerhouse for the UK

An important contribution of London to growth in the wider UK economy is its functioning as a 'global city', encompassing world class transport, labour-market, tourism, heritage, culture, sport, business-networking, education, and headquarter-function assets and activities. It is this 'global hub' role of London which is seen as being the dominant and UK-wide benefit of London's economy. London is a significant market for goods and services produced in the rest of the UK. According to estimates from the Greater London Authority[9], London bought £405 billion worth of goods and services from the rest of the UK in 2014, and sold £290 billion worth – means net purchases of just under £126 billion from the rest of the UK. London is a visitor gateway for the rest of the UK with 17.4 million visitors to the capital in 2015 who spent £11.8 billion.

[5] Mid-Year Population Estimates (2016) and Subnational GVA (December 2017 release), Office for National Statistics.
[6] Cities Outlook 2017, Centre for Cities.
[7] Available at https://www.miltonkeynes.co.uk
[8] Available at http://www.livingreading.co.uk/invest/the-case-for-investing-in-reading

# Mapping economic activity in UK

Every part of the UK has prime capabilities and world class assets, with the potential to improve productivity and greatly enhance the UK's international competitiveness and trading performance

## North

Key industries: manufacturing, pharmaceuticals, energy, digital


## Midlands

Key industries: advanced manufacturing, automotive, financial, business and professional services, digital

## London and Greater South-East

Key industries: financial, business and professional services, media, creative, digital, information and communications, life sciences, aerospace and defence

# The Midlands is a dynamic region with a £218 billion economy, located on all major road and rail routes

The Midlands region encompasses 11 cities, and more than 10 million people, generating £218 billion worth of economic output – 13 per cent of the UK's annual output[11]. Stretching from Shropshire to Lincolnshire, with the M1, M6, and most of the nation's major railway lines running through it, the Midlands sits at the very heart of the UK economy. The Midlands is also a gateway to the global economy, boasting Birmingham and East Midlands Airports alongside key ports such as at Grimsby and Immingham. The Midlands region is responsible for over a fifth of the UK's total manufacturing capability. The services sector in the Midlands accounts for over four million jobs and is worth around £158 billion a year. This is a dynamic growth region: there are now 427,610 more people in employment in the Midlands than there were in 2010 and the size of the Midlands economy has increased by £32.9 billion[12].

## The Midlands: capabilities and potential

The Midlands is the headquarters for a range of globally significant businesses, including Jaguar Land Rover, JCB and Rolls Royce. In 2015, the Midlands accounted for 19.1 per cent of all English goods exports going to over 100 countries. The region is home to nationally significant industrial clusters, including advanced manufacturing in the Black Country and Derbyshire, the automotive cluster around Coventry and Warwickshire, and the ceramics industry in Stoke and Staffordshire. Space technology is also a specialism in Leicester.

The Midlands' science and research base is also strong: the region has 20 universities, with research strengths ranging from civil engineering to space technology, including three that have been ranked in the top 150 in the world – Warwick, Birmingham, and Nottingham. The thriving higher education sector in the region provides a valuable base for ensuring the region has the skills it needs to attract businesses.

The Midlands has a substantial workforce of highly skilled, specialist employees in high value manufacturing. Over 600,000 people in the Midlands work in manufacturing, delivering over 21 per cent of the UK's annual manufacturing output13. The region's automotive cluster includes firms such as Jaguar Land Rover, BMW, General Electric, and Aston Martin Lagonda. The region is pioneering connected and autonomous vehicles with the UK Autodrive driverless car trial, the Transport Systems Catapult, and the Nissan Technical Centre Europe.

The Midlands economy has a strong service sector. Over and above its well-known manufacturing strengths, the Midlands' economy has a strong services base. In 2015 Gross Value Added (GVA) in the service sector was £158.4 billion, 72.8 per cent of total GVA in East and West Midlands[14]. The Midlands Connect Science and Innovation Audit highlighted that in 2014 the Midlands Connect accounted for 14 per cent of UK GVA in real estate activity, 13 per cent in business services and 9 per cent in financial and insurance activities[15].

Financial, business and professional services are also prominent, with 940,000 employees in the region. The region offers substantial grade A office space at up to 60 per cent lower cost than London[16] , yet it is less than an hour from the capital, along with highly affordable residential properties. The establishment of company headquarters and major landmark investments from high profile companies such as Deutsche Bank, HSBC, Aviva, Barclaycard, Jaguar Land Rover Finance and Experian have been integral to the region's unprecedented period of transformation.

Approximately 139,000 people are employed in the digital technology economy in the Midlands. Digital technology, including in the cyber security clusters in Malvern and Nottingham, and the games development clusters in Leamington Spa and Coventry[17].

[11] Midlands Connect Strategy (2017), Department for Communities and Local Government.
[12] ibid.
[13] Ibid.
[14] ibid.
[15] A Science and Innovation Audit Report for the Midlands Connect, sponsored by the Department for Business, Energy & Industrial Strategy, Volume 1: Main Report, 01 November 2016.
[16] The Midlands Connect Midlands Financial Centre of Excellence, UKTI.
[17] Midlands Connect Strategy (2017), Department for Communities and Local Government.

## A transformational growth strategy will allow the Midlands to match or exceed the national average GVA per head by 2030.

The Midlands economy has grown by 18% over the last five years, slightly higher than the UK rate, but continues to under-perform nationally. The Midlands Connect's growth strategy is to close the GVA gap to match or exceed the national average and add £54 billion to the Midlands and UK economies by 2030[18] , to achieve this ambition will require: connecting the Midlands through transport investment and accelerating HS2; investing in advanced technology to deliver the infrastructure required to meet future business and resident needs; growing trade and investment in new markets; building on the regions strengths in science; and innovations and promoting the Midlands as a great place to live, visit, learn and work. This will include delivering a transformation in skills and education that will help boost productivity and spread prosperity.

## CASE STUDY:

### BIRMINGHAM GAINS NATIONAL AND INTERNATIONAL HEADQUARTER FUNCTIONS AS DEUTSCHE BANK AND HSBC SHIFT FRONT DESK OPERATIONS FROM LONDON TO BIRMINGHAM

Deutsche Bank has been ramping up its Birmingham operations in recent years, and the most recent development has marked a shift into value added trading and equities, in addition to existing back-office functions. Over the years, Deutsche Bank has grown its team from fewer than 30 to more than 1,500 employees.

The 10-storey building formally opened in January 2015 and reflects a growing trend for financial firms to move jobs away from Britain's capital due to its expensive property market.

By 2014, the bank was servicing 500 clients previously handled by London with 170 front office staff, across debt, listed derivatives and cash equities, with a 270-seat trading floor on the way. Whilst in the past, it has become common to move administrative roles out of the capital, it is a rarity for such front-office functions to be shifted. Several investment banks are watching, and may follow. Deutsche Bank said the main reason for building up its Birmingham office was that it was a cost-effective way to serve its mid-market clients as it allowed the bank to "cover clients that would be uneconomical to service out of London". The German bank said the city offered a strong talent base and cheaper and more spacious housing, as well as very short commutes.

Birmingham's role in international finance services was further reinforced as Global bank.

HSBC announced in March 2017 that it will be locating the national head office of its ring-fenced bank, which will serve its personal and business customers, in Birmingham city centre. SBC planned to shift 1,040 jobs to Birmingham, mostly from London, by the end of 2017 and has invested £200 million in the city, including a new building and relocation packages. It's move to Arena Central is the largest property deal in Birmingham since 2002. The bank already had 2,500 staff in Birmingham.

Deloitte's Power Up: UK skills report found that jobs which typically require strong transferable skills – for example problem solving and communication – have driven employment growth over the past 15 years. It also found that the level of skills in the workforce is relatively consistent between all regions, a sign of optimism that inequality can be reduced. However, as technologies advance, most sectors and UK regions are predicted to face skills shortages. Simply poaching talent from region to region is not sustainable in the long term.

[18] The Midlands Connect for Growth Prospectus,

# The North: capabilities and potential

## The North's economy was worth £304 billion in 2014.

The North of England is home to 15 million people and over one million private sector businesses. It comprises the standard statistical regions of the North East, North West and Yorkshire and the Humber. The North's economy was worth £304 billion in 2014, accounting for 19 per cent of UK output. The North produces 19 per cent of UK goods exports, and is connected to the rest of the world through seven international airports and 12 major ports[18].

The North is home to internationally regarded assets, expertise, research and businesses that are pan-Northern, highly productive and can compete nationally and internationally. The Northern Independent Economic Review (NIER) identified four prime capabilities which are highly productive and can compete on the national and international stage – advanced manufacturing, energy, health innovation and technology, and digital.

The North has strengths in advanced manufacturing and materials, and is home to a range of research bases for advanced manufacturing, including the Advanced Manufacturing Research Centre at the University of Sheffield and the Institute of Automotive and Manufacturing Advanced Practice at the University of Sunderland. In the North East, Nissan produces three quarters of European electric vehicles. The Henry Royce Institute, a world leading centre for materials has its base at the University of Manchester, and facilities in Sheffield, Leeds and Liverpool (as well as Cambridge, Oxford and Imperial College London).

The North of England is a significant exporter of energy to the rest of the UK, with the Leeds City region alone supplying one-sixth of the UK's electricity. The North's energy capability is bolstered by its advanced manufacturing capability, which means that many of the elements in the energy sector's supply chain are located in the North.

There also significant strengths in offshore wind power, as well as nuclear (with exciting developments in small modular reactors). The North has significant expertise in nuclear energy focused in the North West (including exporting technology developed in the cluster based at Sellafield for use at Fukishima). The Humber is gaining international significance as the UK's energy estuary, with the Siemens blade factory located on the north bank of the Humber and the Dong maintenance and servicing operation now based in Grimsby.

The North is well placed to generate and deploy health innovation and technologies, with capabilities and health sector specialisms widespread across the region. The health sector is facing long term social trends, and at the same time it is experiencing rapid technological advances in computing and data analytics that affect public health, drug discovery and development, and the personalisation of medicine. It is also exploiting new manufacturing processes, such as 3D printing for prosthetic limbs and organs. The devolution of the NHS and integration with social care budgets in Greater Manchester is unique in the UK. Given the North's complementary capabilities in big data, robotics, synthetic biology and new advanced materials, the North is in a strong position to develop, undertake and showcase world leading health innovation.

## In Digital, the North has a proud history of computing, with Manchester being the birthplace of the world's first stored-program computer.

The region has nationally and internationally significant assets underpinning its digital capability. One of the UK's three standalone internet exchanges is in Leeds, and the Hartree Centre for High Performance Computing at Daresbury is home to one of the world's most powerful computers. There are also clusters of tech expertise across the North, including
DigitalCity in Middlesbrough, the Baltic Triangle gaming hub in Liverpool, the Yorkshire and North East & Tees Valley Digital Catapults, and MediaCity in Salford. These offer an opportunity to place the North in the vanguard of the fourth industrial revolution in areas such as Industrial Digitalisation. Recently, the development of a new international data link from Newcastle to northern Europe, has created resilience if the southern route for EU – US data throughput is ever compromised.

[18] Northern Powerhouse Strategy, 2016, HM Treasury.

These four prime capabilities are supported by three enabling capabilities, which play a crucial role in supporting growth and development. These three enabling capabilities include Financial and Professional services, Logistics, and Education (primarily Higher Education). These capabilities account for around 2.1 million jobs and over £100 billion in GVA, representing around 30 per cent of all jobs in the North and just over 35 per cent of GVA . Their role is also strategically significant in driving the jobs and growth in other sectors of the economy, particularly retail, construction, leisure and tourism, which in turn will then generate significant jobs and productivity growth.

A transformational economic future for the North, in which there are substantial improvements in the skills base, innovation and transport connectivity, would see growth rates in the North's productivity, GVA and employment rise markedly above past trends, helping to close the productivity and prosperity gap compared with the rest of England. The Northern Independent Economic Review estimated that, by 2050, transformation would bring about a level of productivity that would be four per cent higher, with 850,000 additional jobs than if we continued business as usual .

[19] Transport for the North (2016) Northern Powerhouse Independent Economic Review Core Messages.

[20] ibid.

CASE STUDY

# Burberry operational HQ

## Relocation of operational functions from london to create a second national hub in leeds

In May 2017, luxury brand Burberry announced its intention to create a second hub in Leeds alongside its London HQ – Burberry Business Services (BBS). By October 2017, Burberry's new site at 6 Queen Street in Leeds city centre accommodated over 400 staff – 100 more than originally planned.

Burberry Business Services (BBS) brings together staff from Burberry's finance, HR, procurement, customer service and IT teams to simplify processes and teamwork across functions. It has taken over four floors in the building.

The jobs are being relocated as part of Burberry's previously announced plans to make reductions to its costs of around £100m. Vacating office space in its current base in Westminster in London has been a major part of addressing this challenge.

Burberry has a significant interest in further developing its operations in Leeds, as it owns 10 acres of land next to its current office building as well as sites in Castleford and Cross Hills in Yorkshire.

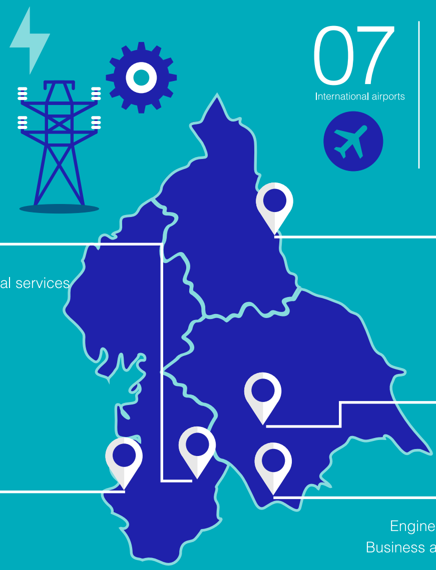
Driving factors behind Burberry's choice of location have included Yorkshire's connection with universities and colleges. Burberry has articulated the need for a highly skilled workforce, with opportunities for graduate roles and apprenticeships. The historical connection with Burberry and its trench coat manufacturing in Yorkshire combines effectively with Leeds as a developing centre and a cultural hub.

Good connectivity between Burberry's London and Leeds bases is also cited as being of the utmost importance as its head office will remain in London.

# Regional breakdown

## North

07 International airports | 12 Major ports | 29 Universities



**Manchester**
Business
Finance and professional services
Manufacturing
Health innovation
Creative
Digital and technology

**Liverpool**
Financial services
Automotive
Digital
Creative

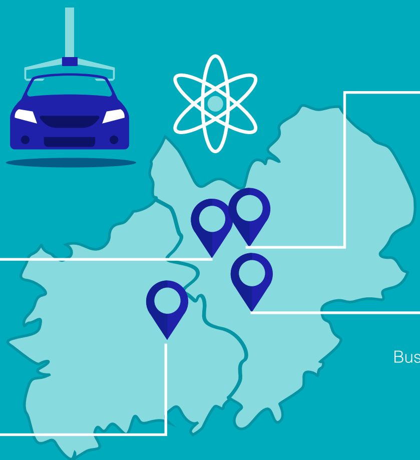
Newcastle
Financial services
Digital
Life sciences
Offshore and marine

Leeds
Financial services
Biopharmaceuticals

Sheffield
Engineering and manufacturing
Business and professional services

## Midlands

02 International airports | 27 Universities



Nottingham
Financial services
Digital
Life sciences
Offshore and marine

Derby
Financial services
Automotive
Digital
Creative

Leicester
Financial services
Business and professional services
Manufacturing
Health innovation
Digital and technology
Creative

Birmingham
Financial services
Business and professional services

## London and Greater South-East

08 International airports | 11 Major ports | 47 Universities

Cambridge
R and D
Life sciences
Information and communications
Technology
Semiconductors

Oxford
Aerospace
Automotive
R and D
Energy

Milton Keynes
Financial services
Business and professional services
Logistics
Manufacturing

London
Financial services
Business and professional services
Media
Publishing
ICT and digital

Reading
Financial services
Business and professional services
Digital
Creative
Energy and renewables
Bio-pharma and biotech

## The UK's most successful industrial clusters have complementary capabilities and assets across our cities and regions

Shared capabilities range from the manufacturing heartlands of the North and Midlands for automotive and aerospace. Manufacturing generated £46 billion for the economy of the North in 2014[21], representing over a quarter of the UK's total manufacturing output. Over 650,000 cars were manufactured in the North in 2015; 42 per cent of the UK's total car production[22] – with automotive centres in the North East (Nissan) and Liverpool (Vauxhall and Jaguar Land Rover). The Midlands continues to be an important global centre for automotive and transport design and manufacture including centres such as Birmingham, Coventry & Warwickshire (Aston Martin, Jaguar Land Rover) and Derby (Toyota, Bombardier). Rolls Royce has several significant design and manufacturing centres across the North and Midlands, in Birmingham, Derby, Hucknall, Rotherham, and Washington. The Greater South East also has some significant automotive facilities, including BMW in Oxford, Cosworth in Cambridgeshire, and Perkins Engines in Peterborough. Aerospace capabilities are also strong, with Airbus and MBDA in Stevenage.

Other advanced engineering sectors include offshores, marine and structural engineering. Offshore and Marine remain important industries in Newcastle, with significant investment in infrastructure, and home to the world's most advanced steel tube facility, Newcastle University's £7m engineering research facility – the National Centre for Subsea and Offshore Engineering. Sheffield's advanced manufacturing heritage continues to this day with prominent firms such as Boeing, ITM Power Plc and Sheffield Forgemasters. The Welding Institute and TWI, the global leader in structural integrity and welding technologies and training, has centres in Cambridgeshire, Middlesbrough, Rotherham, Aberdeen and Port Talbot.

Digital and creative industries are strong in the North and Midlands, as well as in Greater South East. According to Tech UK, the North is home to seven of the UK's 27 key tech clusters, including the largest tech cluster outside of London, in Manchester[23]

KPMG has selected Leeds for its new Innovation and Solutions Centre. The site will create over 200 jobs and provide a hub for the exploration of new technology solutions that will support businesses from across the country. Liverpool's network for the digital sector, Kin, is the longest established network of its kind in the UK, with more than 3,000 active members sharing opportunities and ideas online and at regular events. 25 per cent of the UK's games workforce is based in Greater Birmingham, and eBay rates the region as the UK's hotspot for e-commerce start-ups – over 1,000 of these new businesses have contributed over £18 million to the local economy. Tech City in London is a leading centre for digital technologies and businesses, there is also a significant presence in Thames Valley, Cambridge, Liverpool, Manchester, Birmingham and Newcastle.

[21] Northern Powerhouse Strategy, 2016, HM Treasury.
[22] SMMT Motor Industry Facts 2016.
[23] Tech Nation 2016 Transforming UK industries.

# The UK's Economically Significant Clusters


Source: Centre for Cities (2014) Industrial revolutions: capturing the growth potential, pp. 3

Life sciences are another shared strength across UK cities and regions. Pharmaceuticals, medical research and technology are key strengths throughout the North, Midlands and Greater South East. The North exported £7.3 billion worth of pharmaceutical products in 2015, accounting for 45 per cent of all medicinal exports attributable to UK regions[24]. The North East has an established pharmaceutical cluster accounting for £632m of the region's GVA. Notable life sciences firms include Glythera, QuantuMD, accord, P&G, and Peacocks. Medical innovation is a key strength of Nottingham's, and it is a hotbed of high-growth life science businesses, and home to BioCity, one of Europe's largest bioscience business incubator facilities. The city employs over 38,000 people across 14,000 life science and healthcare related companies. London, Essex, Hertfordshire, and Cambridgeshire have a strong presence oflife sciences and pharmaceuticals companies (such as GlaxoSmithKline and AstraZeneca) as well as leading research institutes (such as The Crick Centre, Laboratory for Molecular Biology, Babraham Bioscience, and Wellcome Trust Sanger Institute). All cities and regions have strengths in financial and business services – from trading floors to technology centres, to specialists processing facilities. The 'city' economy of financial services, is in fact spread across the UK's cities and regions and is not just confined to London's Square Mile. Leeds City Region is home to international business and professional services firms such as DLA Piper and KPMG, who operate large offices in Leeds City Centre

KPMG's new 61,000 sq ft office at Sovereign Square in Leeds will be one of the firm's largest sites outside of London, strategically located in the UK's second financial centre. Liverpool's financial services sector employs over 35,000 people, with key firms such as Barclays Wealth, Pershing BNY Mellon and Rathbones Investment Management. Manchester has successfully captured international legal and business services firms such as DLA Piper and KPMG.

Cities and regions will raise the trading performance of the UK if they can make the most of their existing and potential capabilities and assets. Recent investments such as Deutsche Bank in Birmingham and BNY Mellon in Manchester prove that cities and regions in the North and Midlands have a competitive and compelling offer for value-added service industries that trade globally.

## CASE STUDY: MANCHESTER IS THE PRIME CHOICE FOR ONE OF BNY MELLON'S THREE GLOBAL HUBS

The establishment of the BNY Mellon's operations in Manchester presents a prime example of the successful location and expansion of higher value-added global financial services functions outside of London. BNY Mellon's Global Development Centre (GDC) was opened in 2005 with 50 employees. This had grown to more than 1,200 by 2015, comprising more than 20 business departments and 200 management positions. Daily, transactions worth over £15bn, are carried out across 80 global money markets, and are processed from the company's headquarters in the city, one of just three worldwide hubs.

The economic and cultural vibrancy of Manchester are significantly valued, with recognition that Manchester will further improve as a flourishing business location with an ever improving cultural and local jobs offer. Some of the main reasons for locating in Manchester, and subsequent strengths making the Manchester one of the best performing sites globally include: the diversity of the workforce, high quality downtown business location and offices, access to talent, and transport improvements being delivered that increase the size of the available talent pool.

The bank recognised the need to play a central role in developing the skills needed to work for an organisation of its kind. BNY Mellon has worked to devise an apprenticeship in investment management and has recently added an advanced level to it. It has set up a BA Hons degree in the same subject with Manchester Metropolitan University, as well as working in partnership with Manchester University's Business School to put staff through its MBA programme.

[24] Northern Powerhouse Strategy, 2016, HM Treasury.

# A shared agenda for growth

## The capabilities and potential of each region and locality are significant and the distances between them are small by international standards.

## Improving the internal connectivity of the North and Midlands would bring significant economic benefits.

Improving the internal connectivity of The North and Midlands would achieve significant productivity gains and enhance international competitiveness. Outside of London, productivity barely increases with city size – and evidence suggests that this is due to the poor internal connectivity within regions and between cities in the rest of the UK. The CBI's recent analysis (*Unlocking Regional Growth*, March 2017) showed that reducing travel times between cities in the North of England, via the best mode of transport, could provide access to a working population of up to 16 million, matching the number within an hour of London today. In Leeds alone, the CBI report estimated productivity would be lifted by more than 10 per cent to £32 an hour, placing it near the average for Oxfordshire. A further example recently given by the Centre for Cities  suggested that if Greater Manchester's commuters travelled the same average distance as commuters to London, businesses in the Greater Manchester would have access to 1.5 million graduates.

The UK falls behind on international comparisons of productivity.

**9 out of 10**

UK cities perform below the European average, and more than half are among the 25 per cent least productive cities on the continent.

Evidence from commuting patterns suggest most people travel a maximum of one hour to work, so minimising travel times is important. For every one-million increase in the population that are within 60 minutes of travel time of a postcode area, this corresponds to an additional £0.50 in GVA per hour in productivity gains.

In Leeds alone, lowering travel times to Manchester and Sheffield to 30 minutes, could lift productivity in the city by more than 10 per cent to £32 an hour, placing it around the average for Oxfordshire.

Reducing journey times by road within some regions could have productivity benefits of up to 14 per cent, particularly in cities such as Leicester and Liverpool where many workers reside in locations surrounding the urban area.

Source: CBI (2017) Unlocking Regional Potential.

Over the next ten years, if each local area could match the performance of the star performer in their respective region, this would generate an additional

**£208bn**

For the local economy

# Plans and agreement amongst partners are already in place for transformational connectivity improvements in the North and Midlands

Midlands Connect's landmark 25-year transport strategy makes the case for the major infrastructure improvements needed to drive economic growth and raise productivity.

The partnership, sponsored by the Department for Transport, brings together local authorities, local enterprise partnerships, chambers of commerce and airports, alongside Network Rail, Highways England and HS2 Ltd.

Improving connectivity can contribute to the Midlands Connect's aim of adding £54 billion to the UK economy and creating 300,000 new jobs by 2030.

Supported by additional development funding in the 2017 Autumn Budget, Midlands Connect's flagship projects, Midlands Rail Hub and Midlands Motorway Hub, recognise the nationally strategic importance of the region's rail and road networks to the British economy.

The Midlands Rail Hub aims to support jobs growth by adding 85,000 seats a day to the regional network, with 10 additional trains per hour through Birmingham and significantly reduced journey times between towns and cities in the East and West Midlands. The Midlands Motorway Hub is identifying a series of interventions to ease chronic congestion to the M6, M5 and M42 motorways around the West Midlands metropolitan area.

Underpinning Midlands Connect's aspirations are an ambition to fully integrate HS2 with the classic rail network in the East and West Midlands, spreading the economic benefits further and wider than just those cities with a dedicated HS2 station.

Northern Powerhouse Rail (NPR) is the transformational scheme to link the great cities of the North with faster, more frequent connections (sometimes referred to as HS3 or Crossrail for the North). The Northern Powerhouse Partnership's campaign for Government to commit to Northern Powerhouse Rail (NPR) was boosted by the Chancellor's announcement of £300m for Northern rail improvements at the Conservative Party Conference in 2017. This will ensure six key HS2 junctions are designed to accommodate NPR, paving the way for a rail network that could see journey times of Leeds-Manchester in 30 minutes or Newcastle-Leeds in an hour. An additional benefit would be to expand the catchment area for Manchester Airport.

The distance between Manchester and Leeds is shorter than the length of the Central Line on the London Underground. A new railway line has the potential to transform the northern economy. It would bring seven million more people – and three times the number of businesses – within a 90-minute journey-time of one of our great northern cities. NPR would also see the number of people able to access four or more Northern cities within an hour rise from less than 10,000 currently to 1.3 million.

## Infrastructure investment is not a zero-sum game between London and the rest of the UK.

It is equally important to maintain investment in connectivity within London, and schemes such as Crossrail 2 are critical to London's growth. Demand for public transport is expected to increase by 50 per cent in the next 30 years. A failure to meet this growing demand will have negative effects on economic growth. For example, congestion reduces productivity: by 2030, road commuters will spend 299 hours a year in traffic (the equivalent of 40 working days), up from 250 now. In total, it is estimated that congestion will cost London £9.3 billion by 2030, up by 71 per cent.

Investment in London can deliver benefits to the wider UK economy. Illustrative modelling undertaken by KPMG suggests that if infrastructure investment enabled an increase in London's GVA growth rate from the historic trend of 2.5 per cent to 3.5 per cent, this would yield an additional £1.9 trillion to the economy in present value terms. Of this, around £650 billion would be raised in additional taxation to support public investment in transport nationally.

## High speed rail is a national project that creates opportunities across cities and regions

AS the recent HS2 Report "Getting the Best out of Britain" (2017) notes, productivity within the Midlands and Northern Powerhouse regions varies almost as much as between the regions and devolved nations of the UK. HS2 will help address those imbalances by spreading the benefits of better connectivity beyond those places with dedicated HS2 stations by working with Northern Powerhouse Rail and Midlands Connect to integrate its services with regional and local transport connections. That is in line with the Government's recently announced commitment of £300 million to futureproof HS2 so that it can be used as part of the Northern Powerhouse Rail network and to support Midlands Connect ambitions.

HS2 will more than halve the journey times between regions such as the North West and the West Midlands, opening up new markets and new possibilities for collaboration and innovation – for example, making it easier for Manchester's digital cluster and Liverpool's cluster of digital gaming businesses to access venture capital in London, and vice versa. HS2 will improve connections from Leeds and Sheffield to the Midlands, and Transport for the North is exploring options to make use of the HS2 line for faster services between Leeds, York and Newcastle. Other benefits include expanding the catchment areas for Birmingham Airport and East Midland Airport, allowing them to offer a wider choice of international destinations for global businesses based in the Midlands, such as Rolls Royce, Jaguar Land Rover, Toyota and JCB27.

## All regions will need to address their skills deficits if they are to build the innovative and highly productive economy that is needed to compete internationally

Workforce skills are lower on aggregate in the North. The proportion of graduates in the North is 4.4 percentage points below the UK average, and the proportion of people with no qualifications is 1.2 percentage points above the UK average (*Annual Population Survey* Jan-Dec 2015, ONS). Employers in northern cities draw workers from smaller areas than in the South. Northern cities' labour markets have limited reach, meaning that employers choose from a smaller pool of workers, and vice versa. This holds back wages and productivity.

There is a shortage of skilled workers in the Midlands. The proportion of highly skilled people is about 15 per cent below the England average. One in every eight people in the West Midlands has no qualifications. And too many skilled graduates are leaving the region after completing their studies. Similarly, the Midlands economy is fragmented into small, poorly connected areas, which reduces the ability of employers to draw on a wider labour market.

London, on its own is unable to service its future labour demand. In the current (2016) *London Plan*, London is projected to create an additional 850,000 jobs by 2036. Of these, 800,000 will require degree-level qualifications, but London is only forecast to provide 560,000 additional suitably qualified workers over this period. The costs of living and doing business in London and the Greater South East are also barriers to the effective supply of skills. Knight Frank ranked London thirteenth most unaffordable cities for graduates, behind cities such as Frankfurt, Berlin, Paris and New York, but ahead of Tokyo, Singapore, Shanghai and Hong Kong.

## Devolution can be pushed further and faster and we can learn from the regions that are most advanced in this debate

For almost two decades, London's devolved powers have brought great advantage. London's elected assembly, Mayor, strategic planning functions and delivery of public transport have led to major enhancements to transport, housing and education. London has also had an effective, coordinated approach to visitor and investment promotion for the past 20 years. Transport for London has a great deal of transferable experience in operating a passenger transport authority, establishing a fare box, smart card ticketing, and new and upgraded rail and underground lines.

The debate and evolution of London's devolved powers and tools continues, with the London Finance Commission's comprehensive and detailed examination of the potential from devolved financial tools. The London Finance Commission was established to explore the mechanisms by which London may achieve self-sufficiency in terms of financing its own infrastructure needs. The London Finance Commission considered the full suite of potential taxes and governance structures in order to develop a range of pragmatic recommendations for taking devolved finance further.

The rationale for further fiscal devolution in London is to provide a sustainable basis for economic success and social cohesion. The London Finance Commission found that further fiscal devolution would allow London's government to manage its income and expenditure more fairly and securely – reducing its reliance on business rates. It would also enable London's government to reform the taxes under its control in favour of a more efficient system, for example to promote a better functioning housing market. In the case of London, if council tax, non-domestic rates and stamp duty were fully localised, they would represent over half of the capital's funding needs for services other than schools. More importantly, the tax base that could be used to fund the costs of capital investments would be significantly increased.

## Devolving more resources, powers and tools to regions and localities will lead to more effective and impactful solutions for growth

The London Finance Commission found that, throughout the UK there is strong support from other civic leaders and business groups for regional and local devolution. Common themes cited in favour of devolution included accountability, taking control, enabling innovation, focusing on distinct local challenges and incentivising growth, adaptability, governing capacity and fairness. Devolution to cities such as London and Manchester could lead the way for other cities and vice versa.

National government, regions and cities are becoming increasingly like-minded in how to achieve economic growth and enhanced performance. The national government's frame of reference has changed – the recently announced 'Rebalancing Toolkit' aims to ensure transport infrastructure benefits less productive parts of the UK, not just relieve congestion in economically buoyant areas. The benefits of investment will be "considered more strategically", with the aim of "transforming productivity in city regions…by linking the towns around our cities to city centres." There is a recognition that geography matters when it comes to economic activity – that "growth does not exist in the abstract, it happens in particular places" (HM Government, 2018, *Industrial Strategy: Building a Britain fit for the future*).

# Growing together: a joint agenda for devolution of greater powers and resources to the UK's cities and regions

## Continued strong advocacy

The UK's cities and regions have a great deal to gain by working together on the devolution agenda. Firstly, by sharing experiences and capabilities, every city and region can learn from past practice and new ideas. We will continue to need strong advocacy for the principles of devolution, but we also need more actively debate and establishing the means – the governance, processes, mechanisms, administration and resources for devolution.

## Cities and Regions collaborate where it is in their joint interests to do so

Secondly, it is essential that cities and regions collaborate where they have shared transport and connectivity challenges. Transport routes and existing and potential functional market areas do not neatly adhere to administrative boundaries. Effective collaboration is essential to ensure the best social and economic returns from transport investments.

## A common agenda for devolved skills policies and delivery

Thirdly, there is a common agenda for devolved skills policies and delivery. All of our regions and cities face skills and labour market challenges. Labour markets primarily operate locally and regionally, and for our national and regional economies to succeed, the policies, mechanisms and resources for skills formation need to be more tailored to local opportunities and solutions.

## Joining up our regional assets and capabilities

Fourthly, we need to better join up our regional assets and capabilities to present a coherent national offer. As this report has outlined, all of our cities and regions present their own individual strengths to the national competitive offer for international trade and investment. When they are combined for certain industries and areas of competitive advantage, there is a powerful offer for the UK economy. Whilst national governments often find it challenging to articulate defined roles for cities and regions, perhaps there is scope for the cities and regions themselves to collaborate and define these.

## The potential economic benefits are huge

The CBI has calculated what the economic impact could be by 2024 if each local area could improve at the same rate as the top performer in their respective region or nation[26]. The size of the prize is huge – increasing productivity within each nation and region could add £208bn to the UK's nominal gross value added over the next decade. This would lead to more jobs, more exports and higher standards of living across the UK.

[26] Source: CBI (2017) Unlocking Regional Potential.

# Five Steps for Effective Devolution

## 1 - The 'devolution first' principle

If a policy or task can be most effectively developed and delivered at a subnational level, then steps should be taken to ensure that it is devolved to the appropriate regional, city or local level

## 2 - Clear objectives and simple and transparent measures of success

There are established final outcomes for effective devolution, and the the most appropriate form and mechanism of devolution is put in place to achieve these

## 3 - Genuine new powers and resources for regions, cities and localities

That can be managed and deployed flexibly according to the actual opportunities and needs facing an area. Regions, cities and local areas need their own revenue raising powers and financial instruments

## 4 - Cross-functional approaches

That provide 'joined-up' solutions, and transcend the traditional 'silo' approach to government policy and delivery, and enable regions, cities and localities to collaborate

## 5 - A statutory framework and a long-term settlement

For any new powers or system of decentralisation to be effective it needs certainty and continuity over a 10 to 20 year timespan at the least. We need to move beyond the time-limited initiatives and stop-start nature of past policy

# Recommendations:

## growing together to compete in the global economy

This report concludes with five recommendations for the principles for future collaboration between the study partners, and cities and regions in the UK

### Implementing devolution

**Recommendation I.** Establish the principles of regional and local devolution as a fair, effective and impactful way of better meeting the challenges and opportunities facing the UK economy, and as a means to succeeding post-Brexit.

**Recommendation II.** A joint statement to accelerate local and regional devolution of powers and resources much further than is currently being undertaken.

**Recommendation III.** A joint work programme to establish the options and preferred mechanisms for further devolution of infrastructure and skills delivery.

### Providing a coherent and collective approach to collaboration and cooperation between cities and regions

**Recommendation IV.** Establish mechanisms to enable collective learning and sharing from experience with devolution in practice.

**Recommendation V.** Coherently and effectively articulate the joint assets and strengths of our cities and regions, and how these will be combined in order to better compete for international trade and investment.

### Support game-changing transport investments

**Recommendation VI**. Deliver the game-changing transport investments identified by regional public-private partnerships. Secure the most effective delivery solution – either from central government funds and institutions or from devolved financial tools and powers.

# Acknowledgements


## Advisory Board

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London First is a membership organisation, with the mission to make London the best place in the world for business. We're focused on keeping our capital working for the whole of the UK.

We've galvanised the business community to bring pragmatic solutions to London's challenges over the years.

We have been instrumental in establishing the Mayor of London, pioneered Teach First, driven the campaign for Crossrail and, most recently, lobbied for government action on airport capacity, leading to the approval of a new Heathrow runway.

Now, we are working on solutions to what our business leaders see as the top priorities for our capital: **talent, housing** and **transport.**

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